

— THE CINCINNATI, HAMILTON AND DAYTON RAILWAY  
COMPANY.

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Plan and Agreement of Reorganization.

Dated February 15, 1916.

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UNIVERSITY OF ILLINOIS

KUHN, LOEB & CO.,  
Reorganization Managers.

CRAVATH & HENDERSON,  
Counsel.

DEPOSITARIES:

*For First and Refunding Mortgage Bonds of The  
Cincinnati, Hamilton and Dayton Railway  
Company:*


BANKERS TRUST COMPANY,  
14 Wall Street, New York.  
UNION OF LONDON & SMITH'S BANK, LTD.,  
2 Princes Street, London, E. C., England.

*For General Mortgage Bonds of 1939 of The  
Cincinnati, Hamilton and Dayton Railway  
Company:*

GUARANTY TRUST COMPANY OF NEW YORK,  
140 Broadway, New York, and  
33 Lombard Street, London, E. C., England.

*For First Mortgage Bonds of The Cincinnati,  
Dayton and Ironton Railroad Company and  
First Mortgage Bonds of The Piqua and Troy  
Branch Railroad Company:*

THE EQUITABLE TRUST COMPANY OF NEW YORK.  
37 Wall Street, New York.



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## REORGANIZATION

OF

THE CINCINNATI, HAMILTON AND DAYTON RAILWAY COMPANY.

### INTRODUCTORY STATEMENT.

In connection with the plan of readjustment of 1909, The Cincinnati, Hamilton and Dayton Railway Company executed its First and Refunding Mortgage, dated July 1, 1909, under which there have been issued \$29,171,000 of Four Per Cent. Bonds. Of these bonds, \$7,500,000, guaranteed as to principal and interest by The Baltimore and Ohio Railroad Company, and \$1,677,000, unguaranteed, are in the hands of the public, the remaining \$19,994,000 being held by The Baltimore and Ohio Railroad Company as collateral for purchase money notes and other obligations of The Cincinnati, Hamilton and Dayton Railway Company aggregating \$22,695,143. The latter company also executed a General Mortgage, dated July 1, 1909, under which there have been issued \$17,529,000 of bonds, all of which are outstanding.

Owing to a series of unusual and unforeseen circumstances, The Cincinnati, Hamilton and Dayton Railway Company was unable to meet its various obligations and on July 2, 1914, the property was placed in the hands of receivers. Since that time there have been protracted negotiations, looking towards reorganization, with holders of certain of the Company's securities and with The Baltimore and Ohio Railroad Company, which has so large an interest in the property by reason of its position as holder or guarantor of a large part of the securities above mentioned. Certain branch lines, mortgaged to secure branch line bonds which remained undisturbed in the readjustment of 1909 but the interest on which was not earned in the present receivership, have already been sold on foreclosure and a similar result with respect of other branch lines may be expected.

The important portion of the property is the main line between Cincinnati and Toledo and certain main line branches hereinafter described, and it is important that a Plan of Reorganization embracing these lines be promptly undertaken.

By reason of its large interest in the property, The Baltimore and Ohio Railroad Company is prepared not only to co-operate in the plan of reorganization, but also, in order to facilitate the consummation of the plan, to subordinate its large investment to the new securities to be issued in exchange for the existing bonds in the hands of the public and for the cash requirements, and to arrange that the lines embraced in the reorganization will be operated as an integral portion of the Baltimore and Ohio Railroad system.

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Accordingly, the annexed Plan of Reorganization has been prepared, which contemplates that The Baltimore and Ohio Railroad Company shall surrender all the securities in, and claims against, the property which it holds, and shall issue its own bonds for distribution among the existing bondholders who participate in the Plan. These bonds are to be secured by a mortgage to be executed by The Baltimore and Ohio Railroad Company which is intended ultimately to be a direct lien upon the above lines, and upon certain branch lines hereafter mentioned, but in the first instance they will be secured by the pledge of the mortgage bonds of the new company which is to be formed for the purpose of acquiring the property, as stated in detail in the Plan. In part consideration of the cash to be furnished and the securities to be surrendered by it under the Plan, The Baltimore and Ohio Railroad Company is to receive the capital stock and junior securities of the new Company. The Plan provides for the main line between Cincinnati and Toledo, the main line branches from Tontogany to North Baltimore, Deshler to Findlay and Hamilton to East Middletown, and also for the Piqua and Troy branch line and that portion of the Dayton and Wellston branch line between Dayton and Ironton Junction (with such additional portion as the Reorganization Managers may determine), constituting a total mileage of about 368 miles.

It seems clearly to the advantage of holders of all the securities embraced in the Plan to exchange their securities on the basis proposed, as they thus not only obtain a more readily marketable security, which is a direct obligation of The Baltimore and Ohio Railroad Company, but also secure the advantage of having the property operated as an integral portion of the Baltimore and Ohio System.

Owing to the guaranty by The Baltimore and Ohio Railroad Company, there has been no default in the payment of interest on the \$7,500,000 of guaranteed First and Refunding Mortgage Bonds, but the value of the mortgage security for these bonds has been materially impaired through foreclosure proceedings under certain branch line mortgages and, as a result of the insolvency of The Cincinnati, Hamilton and Dayton Railway Company, the market value of these bonds has been seriously affected. The new bonds offered under the Plan in exchange therefor should rank as a far better investment security, as they are to be the direct obligations of The Baltimore and Ohio Railroad Company. The holders of all the First and Refunding Mortgage Bonds, not guaranteed by The Baltimore and Ohio Railroad Company, have agreed to accept the terms offered them in the Plan and to deposit their bonds thereunder.

Provision is made in the Plan for the General Mortgage Bonds of 1909, on a basis which is believed to be fair, under all the circumstances, and upon the recommendation of the Committee, of which Mr. Charles H. Sabin is chairman, the holders of over eighty-seven per cent. of these bonds have already accepted the terms provided in the Plan.

The provision made in the Plan for the First Mortgage Bonds of The Cincinnati, Dayton and Ironton Railroad Company is believed to be to the decided advantage of the holders of these bonds, and the Committee, of which Mr. Alvin W. Krech is chairman, representing over two-thirds of this issue, has recommended the acceptance of such provision.

All security holders are accordingly urged to deposit promptly their securities so that the Plan can be consummated without delay.

Although the new bonds, being direct obligations of The Baltimore and Ohio Railroad Company, have recourse to the surplus earnings of the entire Baltimore and Ohio system, irrespective of whether the mileage embraced in the Plan produces sufficient earnings to meet the charges or



not, every effort has been made to keep the issue well within the limits of the earning power of the property embraced in the Plan. According to estimates furnished by Mr. J. M. Davis, General Manager for the Receivers of The Cincinnati, Hamilton and Dayton Railway Company, the operation of the property embraced in the Plan should show a surplus available for rentals and interest of about \$1,800,000. Deducting interest charges on \$16,250,450 of new Baltimore and Ohio Railroad Company Bonds, proposed to be presently issued under the Plan in respect of such property, and the rentals and interest charges on the underlying securities which are not to be disturbed under the Plan, as hereafter stated, would leave a surplus of over \$500,000. Mr. Davis advises that his estimate is based upon the assumption that The Baltimore and Ohio Railroad Company would be the owner of the entire capital stock of the New Company and, therefore, have a direct interest in its operations, because, in his opinion, the property can be much more profitably operated under a close alliance with a large system, than if operated independently.

## PLAN OF REORGANIZATION.

### I.

*Securities to remain undisturbed :*

Dayton and Michigan Railway Company Consolidated Mortgage 4½% Thirty-Year Gold Bonds, due January 1, 1931-----	\$2,728,000
Dayton and Michigan Railway Company Preferred Stock, upon which dividends at the rate of 8% per annum are guaranteed under the lease to The Cincinnati, Hamilton and Dayton Railway Company--	1,211,250
Dayton and Michigan Railway Company Common Stock, upon which dividends at the rate of 3½% per annum are guaranteed under the same lease-----	2,396,950
Cincinnati, Hamilton and Dayton Railroad Company Second Mort- gage 4½% Fifty Year Gold Bonds (now secured by first mortgage) due January 1, 1937-----	\$2,000,000
Cincinnati, Hamilton and Dayton Railroad Company General Mort- gage 5% Fifty Year Gold Bonds, due June 1, 1942-----	3,000,000
Total-----	\$11,336,200

*Securities for which provision is made under the Plan :*

Cincinnati, Hamilton and Dayton Railway Company First and Re- funding Mortgage 4% Fifty Year Gold Bonds, due July 1, 1959, guaranteed as to principal and interest by The Baltimore and Ohio Railroad Company-----	7,500,000
Bonds of the last named issue not so guaranteed-----	1,677,000
Cincinnati, Hamilton and Dayton Railway Company General Mort- gage Gold Bonds, due July 1, 1939-----	17,529,000
Purchase Money Notes and other obligations held by The Baltimore and Ohio Railroad Company, secured by the pledge of \$19,994,000 First and Refunding Mortgage Bonds and other collateral (not including accrued interest) -----	22,695,143
Cincinnati, Dayton and Ironton Railroad Company First Mortgage 5% Fifty Year Gold Bonds due May 1, 1941, and certificates of deposit issued by The Equitable Trust Company of New York, representing said bonds -----	\$3,500,000
Piqua and Troy Branch Railroad Company First Mortgage 4% Forty Year Gold Bonds, due November 1, 1939-----	225,000
Equipment Obligations -----	1,160,000
Total-----	\$54,286,143

## II.

## CASH REQUIREMENTS.

The Reorganization Managers have agreed to purchase \$5,000,000, face amount, of new Baltimore and Ohio Railroad Company Toledo-Cincinnati Division Bonds, which are to be issued under the Plan. The proceeds of these bonds are to be used to provide for maturing equipment obligations, for the purchase of new equipment, and for additions and betterments and other corporate requirements of the New Company, except so far as they are applied to the payment of Receivers' obligations, court charges, legal expenses and reorganization expenditures other than for the purchase of General Mortgage Bonds of 1939, as provided in Article VI. hereof.

## III.

## NEW SECURITIES.

## BALTIMORE AND OHIO RAILROAD COMPANY TOLEDO-CINCINNATI DIVISION BONDS.

It is proposed that The Baltimore and Ohio Railroad Company shall acquire all the securities to be issued by the new Railroad Company (hereinafter called the "New Company") which is to be organized to acquire the right, title and interest of the present Cincinnati, Hamilton and Dayton Railway Company (hereinafter called the "Old Company") in the main line between Cincinnati and Toledo, the main line branches above described, the Piqua and Troy branch line and the portion of the Dayton and Wellston branch line above described (subject to the existing securities which are not to be disturbed as aforesaid), and that The Baltimore and Ohio Railroad Company will issue, to be distributed in exchange for the existing securities provided for under the Plan and for other purposes of the reorganization, its own direct obligations (secured as hereinafter provided), herein referred to as its Toledo-Cincinnati Division Bonds, which shall bear an appropriate name approved by the Reorganization Managers. The bonds of this issue to be issued under the Plan in exchange for the existing securities are to mature in 1959, are to bear interest at the rate of four per cent. per annum and are to be redeemable on any semi-annual interest date, in whole or in part, at 102½% of their face value and accrued interest. The total authorized issue is not to exceed \$35,000,000, as provided in Article IV. hereof, to which reference is made for a statement of the disposition of the bonds.

The Baltimore and Ohio Railroad Company's Toledo-Cincinnati Division Bonds will be secured by a mortgage executed by The Baltimore and Ohio Railroad Company. They are intended ultimately to be secured by a direct lien upon the main line of the Old Company between Cincinnati and Dayton, upon the leasehold interest in the main line from Dayton to Toledo under the perpetual lease from the Dayton and Michigan Railway Company, upon the branch lines embraced in the Plan, and upon the equipment of the New Company, and, in the meantime, they will be secured by the pledge of all the Refunding Mortgage bonds to be issued by the New Company, which latter bonds will either be secured by a direct lien upon said part of such main line and said perpetual leasehold interest in the remainder and upon said branch lines and equipment (subject to the existing securities which are to remain undisturbed or are not exchanged under the Plan), or, in the event that the Reorganization Managers deem it impracticable to effect such direct lien, by the pledge of existing securities dealt with under the Plan. The principal amount of such bonds of the New Company pledged under the mortgage securing said Toledo-Cincinnati Division Bonds of The Baltimore and Ohio Railroad Company shall at all times at least equal the

principal amount of such latter bonds outstanding and the Refunding Mortgage Bonds of the New Company shall be issued only for pledge under said mortgage. Except as otherwise provided herein, said Toledo-Cincinnati Division Bonds are to bear such interest, not exceeding six per cent. per annum, and are to be redeemable at such price and at such time, as the Board of Directors of The Baltimore and Ohio Railroad Company shall from time to time determine.

## IV.

## DISPOSITION OF BALTIMORE AND OHIO RAILROAD COMPANY TOLEDO-CINCINNATI DIVISION BONDS.

*Four Per Cent. Bonds to be presently issued in exchange for existing securities :*

	Per Cent.	Amount
To the holders of \$7,500,000 Cincinnati, Hamilton and Dayton Railway Company First and Refunding Mortgage 4% Fifty Year Gold Bonds, due July 1, 1959, guaranteed as to principal and interest by The Baltimore and Ohio Railroad Company-----	100	+ 7,500,000
To the holders of \$1,677,000 bonds of the same issue, but not so guaranteed-----	85	1,425,450
To the holders of \$3,500,000 Cincinnati, Dayton and Ironton Railroad Company First Mortgage 5% Fifty Year Gold Bonds-----	60	2,100,000
To the holders of \$225,000 Piqua and Troy Branch Railroad Company First Mortgage 4% Forty Year Gold Bonds-----	100	225,000
Total to be presently issued under the Plan, other than for cash requirements -----		\$11,250,450
<i>Bonds to be presently issued to provide the cash requirements of the Plan (other than for the purchase of General Mortgage Bonds of 1939)----</i>		5,000,000
Total to be presently issued under the Plan -----		\$16,250,450
<i>Reserved Bonds :</i>		
To be reserved (under proper restrictions to be approved by the Reorganization Managers) to retire at maturity, or earlier, the bonds which are to remain undisturbed under the Plan, as above recited, or for acquisition of underlying stocks, branch lines, branch line bonds, aid in refunding, or for capital expenditures for equipment, additions and betterments and additional property, or to acquire First and Refunding Mortgage Bonds of the New Company issued for any of such purposes		\$18,749,550
Total authorized issue-----		\$35,000,000

†In view of the fact that a large amount of these guaranteed bonds are held in Europe, the Reorganization Managers, as part of the expenses of the reorganization, will pay all stamp taxes, now in force in the respective countries in which such guaranteed bonds are now held, on the certificates of deposit issued against the deposit of said guaranteed bonds and on the new bonds to be issued under the Plan. In addition, the Plan provides an allowance of \$10 cash per \$1,000 bond to cover other expenses to the depositors, incident to the deposit or exchange of these guaranteed bonds, and, if the Plan is consummated, this allowance will be paid to the depositors upon delivery of the new securities. All deposited bonds must bear such stamps as may be necessary in order to render them negotiable and permit good delivery hereunder.



## V.

## PARTICIPATION BY THE BALTIMORE AND OHIO RAILROAD COMPANY.

The Baltimore and Ohio Railroad Company, as the holder of \$22,695,143 Purchase Money Notes and other obligations of the Old Company, secured by \$19,994,000 face value of First and Refunding Mortgage Bonds of the Old Company and other collateral, has entered into agreements with the Reorganization Managers providing, among other things, as follows :

(a) For the surrender by The Baltimore and Ohio Railroad Company of said Purchase Money Notes and other obligations aggregating \$22,695,143, together with the collateral securing the same, excepting certain collateral (not securities of the Old Company or its subsidiaries) of the estimated value of \$3,368,000, which is to be retained ;

(b) For the payment by The Baltimore and Ohio Railroad Company to the Reorganization Managers, or upon their order, of such an amount of cash as may be required to pay \$700 in cash for each old General Mortgage Bond of 1939 which may become subject to the Plan, with interest at four per cent. per annum on said amount from January 1 to January 12, 1916 ;

(c) For the issue by The Baltimore and Ohio Railroad Company of its Toledo-Cincinnati Division Bonds, as above recited (including the issue of \$5,000,000 face amount of said bonds to provide the additional cash requirements of the Plan), and for the pledge under its mortgage securing said bonds of all the Refunding Mortgage Bonds of the New Company issued under the Plan ;

(d) For the delivery to The Baltimore and Ohio Railroad Company, of (1) the entire capital stock of the New Company, and (2) Adjustment and Improvement Mortgage Bonds of the New Company to an amount approved by the Reorganization Managers, and with such provisions as to interest as may be approved by them. Said new Adjustment and Improvement Mortgage Bonds shall be secured by a mortgage upon the same property as that covered by the mortgage securing the Refunding Mortgage Bonds of the New Company, but subordinate to that mortgage.

## VI.

## PROVISION FOR CASH FOR HOLDERS OF GENERAL MORTGAGE BONDS OF 1939 AT THE RATE OF \$700.86 PER \$1,000 BOND.

For each \$1,000 General Mortgage Bond of 1939 which shall hereafter be deposited under the Plan, payment in cash shall be made, at the time of deposit, at the rate of \$700.86, this being the price at which the holders of over eighty-seven per cent. of these bonds have already sold them to the Reorganization Managers, and representing payment of \$700 as of January 1, 1916, together with interest on that amount at the rate of four per cent. per annum to January 12, 1916, the date of payment.

## VII.

SCHEDULE OF PARTICIPATION IN DISTRIBUTION OF BALTIMORE AND OHIO RAILROAD COMPANY  
TOLEDO-CINCINNATI DIVISION BONDS AND CASH BY HOLDERS OF EXISTING SECURITIES OTHER  
THAN THE BALTIMORE AND OHIO RAILROAD COMPANY.\*

Existing Securities.		Baltimore and Ohio Railroad Company Toledo-Cincinnati Division Bonds.		Cash.
Amount.	Description.	Per Cent.	Amount in 4% Bonds.	
\$7,500,000	Cincinnati, Hamilton & Dayton 1st & Refund. 4s guaranteed by the Baltimore & Ohio.....	100	\$7,500,000	} †\$10 per \$1,000 bond.
\$1,677,000	Cincinnati, Hamilton & Dayton 1st & Refund. 4s not so guaranteed .....	85	1,425,450	
\$17,529,000	Cincinnati, Hamilton & Dayton Gen. Mtge. Bonds of 1939 .....			\$700.86 per \$1,000 bond.
\$3,500,000	Cincinnati, Dayton & Ironton First 5s.....	60	2,100,000	
\$225,000	Piqua & Troy Branch First 4s.....	100	225,000	

\* For participation by The Baltimore and Ohio Railroad Company, see Article V hereof.

† For an explanation of this cash allowance, see footnote on page 6, which also explains that certain stamp taxes incident to the deposit and exchange of these guaranteed bonds will be paid for the depositors.

## VIII.

ADJUSTMENT OF INTEREST—PAYMENT AND DISTRIBUTION OF INTEREST ON DEPOSITED SECURITIES.

All depositors under the Plan shall be entitled to receive interest from January 1, 1916, at the rate of four per cent. per annum upon the face value of the new bonds to which they are entitled. In case interest upon the new bonds shall begin to run from a later date, an adjustment of the interest for the intermediate period shall be made in cash. In case, before the Plan is carried into execution, interest is paid upon any of the deposited securities, the holders of the certificates representing such securities shall (after delivering such ownership certificates or other instruments as may be required in connection with the Federal income tax law or other tax laws) be entitled to receive the amount of such interest and the same (so far as it shall be interest accruing after January 1, 1916) shall be deducted from the interest to which they would otherwise be entitled as hereinbefore provided. The Reorganization Managers may, in their discretion, pay or otherwise adjust any or all interest or other charges on the securities which are to remain undisturbed under the Plan.

## IX.

## METHOD OF PARTICIPATION IN THE PLAN.

Holders of securities entitled to participate in the Plan may become parties to the Plan and the annexed Agreement of Reorganization in the following manner :

**First and Refunding Mortgage Bonds of The Cincinnati, Hamilton and Dayton Railway Company :**

Holders of such bonds must deposit their bonds with Bankers Trust Company, the Depositary for such bonds under the Plan, at its office in the City of New York, or with Union of London & Smith's Bank, Ltd., the London agent of such Depositary, at its office in London, England, on or before March 31, 1916, unless a longer time be permitted by the Reorganization Managers ;

**General Mortgage Bonds of 1939 of The Cincinnati, Hamilton and Dayton Railway Company :**

Holders of such bonds must deposit their bonds with Guaranty Trust Company of New York, the Depositary for such bonds under the Plan, at its office in the City of New York, or at its office in London, England, on or before March 31, 1916, unless a longer time be permitted by the Reorganization Managers ;

**First Mortgage Bonds of The Piqua and Troy Branch Railroad Company :**

Holders of such bonds must deposit their bonds with The Equitable Trust Company of New York, the Depositary for such bonds under the Plan, at its office in the City of New York, on or before March 31, 1916, unless a longer time be permitted by the Reorganization Managers.

Holders of the following securities may become entitled to participate in the provisions of the Plan in respect thereof in the following manner :

**First Mortgage Bonds of The Cincinnati, Dayton and Ironton Railroad Company or of Certificates of Deposit of The Equitable Trust Company of New York Representing Such Bonds :**

The provisions made in the Plan for said bonds having been approved by the Bondholders' Protective Committee of which Mr. Alvin W. Krech is Chairman, constituted under the Deposit Agreement with The Equitable Trust Company of New York as depositary, dated January 28, 1915, that committee has entered into an agreement with the Reorganization Managers providing, among other things, for the sale to the Reorganization Managers of the bonds represented by said Committee in exchange for the new bonds of The Baltimore and Ohio Railroad Company as provided in the Plan, and said Committee has agreed with the Reorganization Managers that it will take such action under said Deposit Agreement as it is advised may be necessary in order that said agreement shall become binding upon the holders of said certificates of deposit who do not withdraw from said Deposit Agreement within the time and in the manner permitted by said Agreement. All holders of certificates of deposit issued under said Deposit Agreement who do not so withdraw shall thereby be conclusively and finally deemed to have assented to said exchange and said agreement with the Reorganization Managers.



Holders of said bonds who have not already deposited them under said Deposit Agreement and who desire to participate in said agreement, must deposit their bonds with The Equitable Trust Company of New York, the depository constituted under said Deposit Agreement and the depository for said bonds under the Plan, at its office in the City of New York, on or before March 31, 1916, unless a longer time be permitted by the Reorganization Managers.

Cincinnati, Hamilton and Dayton First and Refunding Bonds, if in coupon form, must bear, in the case of unguaranteed bonds, the July 1, 1914, and all subsequent coupons, and in the case of guaranteed bonds, the July 1, 1916, and all subsequent coupons. Cincinnati, Hamilton and Dayton General Mortgage Bonds, due 1939, if in coupon form, must bear the coupon for fixed interest maturing January 1, 1915, and all subsequent coupons, both for the payment of fixed interest and of interest dependent upon income, other than the Bankers Trust Company coupons (so-called). Cincinnati, Dayton and Ironton First Mortgage Bonds, if in coupon form, must bear the November 1, 1914, and all subsequent coupons. Piqua and Troy Branch First Mortgage Bonds, if in coupon form, must bear the May 1, 1916, and all subsequent coupons.

All bonds registered as to principal must be restored to bearer form before deposit and registered bonds must be duly endorsed in blank or accompanied by proper instruments of assignment and transfer in blank.

For all securities deposited under the Plan (other than General Mortgage Bonds, due 1939, for which payment in cash will be made at the time of deposit, as above stated), certificates of deposit in a form approved by the Reorganization Managers will be issued, and holders of such securities so depositing the same shall thereby become parties to, and shall be conclusively and finally deemed to have assented to, the Plan and the annexed Agreement.

## X.

### PROVISIONS FOR DECLARING PLAN OPERATIVE.

The Reorganization Managers in their absolute discretion may determine whether and when a sufficient amount of the securities of the various classes shall have been deposited hereunder to render it advisable to declare the Plan operative. They may so declare this Plan operative as to all classes of securities for which provision is made in the Plan or only as to certain classes of such securities and in case the securities of any class or classes shall be excluded from the reorganization, the deposited securities of such class or classes shall, subject to the provisions in that behalf contained in the annexed Agreement, be returned, without charge, to the holders of the certificates of deposit representing the same, upon due surrender of such certificates to the proper Depository. In case the Reorganization Managers shall declare the Plan operative as to the deposited securities of any of the classes as aforesaid, they shall thereupon publish notice to that effect at least twice a week for four successive weeks in at least two newspapers of general circulation published in the City of New York and in such additional newspapers in New York or elsewhere, if any, as the Reorganization Managers shall determine. If the Reorganization Managers shall not have begun the publication of such notice on or before December 31, 1917, holders of certificates of deposit issued hereunder for securities deposited hereunder shall, without charge, be entitled to withdraw from deposit hereunder the securities represented thereby, within the time and upon the terms and conditions set forth in the annexed Agreement. In the case of the holders of certificates



of deposit representing said Cincinnati, Dayton and Ironton First Mortgage Bonds, the right of withdrawal shall be governed by the provisions of said Deposit Agreement, dated January 28, 1915, and said agreement with the Reorganization Managers referred to in Article IX hereof. The provisions of this Article X shall not apply to any General Mortgage Bonds of 1939 deposited and sold hereunder for cash, as in Article VI hereof provided.

## XI.

### MODIFICATIONS OF THE PLAN.

The Reorganization Managers may modify the Plan or adopt a substitute plan, as in the Agreement of Reorganization provided. They may make such modifications or adopt such substitute plan, in their sole discretion, provided that in the judgment of the Reorganization Managers the proposed modifications or substitute plan shall not be deemed adversely to affect to a material degree the interests of the Depositors of any class or classes of securities to be embraced in the modified or substitute plan; otherwise they shall, and in any case they may, file with the proper Depositary a statement of the modifications or of the substitute plan, as the case may be, and publish twice a week for four successive weeks, in the manner provided in the Agreement of Reorganization, a notice to that effect, specifying the class or classes of securities which, in the opinion of the Reorganization Managers, are affected by the proposed modifications or substitute plan. Within thirty days after the first publication of such notice the holders of certificates of deposit for the securities so affected, as specified in such notice, may, without charge, withdraw from deposit hereunder the securities represented by such certificates of deposit, in the manner and upon the conditions specified in the Agreement of Reorganization. All Depositors of the securities of any class embraced in the modified or substitute plan who do not so withdraw the securities represented by their respective certificates of deposit shall be deemed to have assented to, and shall be bound by, such modified or substitute plan. The adoption of any such modifications or substitute plan shall not affect any purchase of General Mortgage Bonds of 1939, theretofore made by the the Reorganization Managers under the Plan. In the case of the holders of certificates of deposit representing said Cincinnati, Dayton and Ironton First Mortgage Bonds, the right of withdrawal shall be governed by the provisions of said Deposit Agreement, dated January 25, 1915 and said agreement with the Reorganization Managers referred to in Article IX hereof.

## XII.

### REORGANIZATION MANAGERS.

The Plan is to be carried out by Messrs. Kuhn, Loeb & Co., as Reorganization Managers. Reference is hereby made to the annexed Agreement for a statement of the powers of the Reorganization Managers and for further details of the Plan. The Reorganization Managers shall be entitled to compensation which shall be fixed in the manner provided in the annexed Agreement.

## XIII.

## STATEMENTS CONTAINED IN PLAN.

The statements contained in this Plan and in the introductory statement have been compiled from sources believed to be reliable. Certain of them are necessarily approximate and none are to be considered as representations. The statements respecting the financial position of the New Company and the new securities and their lien are for convenience based upon the assumption that all of the securities of each class dealt with by the Plan shall become subject thereto. They do not take into account the changes which would result in case any of said securities should not become subject to the Plan, nor such additional securities, if any, as may be required in connection with the reorganization.

## XIV.

## AGREEMENT OF REORGANIZATION.

In order to carry out, and give effect to, this Plan, the annexed Agreement of Reorganization has been executed in triplicate by the Reorganization Managers, by The Baltimore and Ohio Railroad Company, and by the Depositaries, and an original thereof lodged with each Depositary. Every depositor assenting to the Plan thereby becomes a party to said Agreement, the provisions of which shall govern in case of conflict between the Plan and the Agreement.

## REORGANIZATION AGREEMENT.

**Agreement** dated February 15, 1916, between KUHN, LOEB & Co. (hereinafter called the "Reorganization Managers"), parties of the first part ;

THE BALTIMORE AND OHIO RAILROAD COMPANY, party of the second part ;

BANKERS TRUST COMPANY, GUARANTY TRUST COMPANY OF NEW YORK and THE EQUITABLE TRUST COMPANY OF NEW YORK, as Depositaries under this Agreement (hereinafter called the "Depositaries"), parties of the third part ; and

Holders of the securities hereinafter mentioned who shall become parties hereto in the manner hereinafter provided (hereinafter collectively called the "Depositors"), parties of the fourth part.

The Reorganization Managers and The Baltimore and Ohio Railroad Company heretofore entered into a certain plan and agreement of reorganization of The Cincinnati, Hamilton and Dayton Railway Company, dated November 15, 1915, which provided that, prior to the deposit of securities with the depositary thereunder, the Reorganization Managers might, with the approval of The Baltimore and Ohio Railroad Company, modify said plan and agreement of reorganization or any part thereof, or substitute a new plan and agreement therefor. There has been no deposit of securities under said plan and agreement of reorganization dated November 15, 1915, and the Reorganization Managers and The Baltimore and Ohio Railroad Company desire to modify said plan and agreement of reorganization and to substitute therefor the foregoing Plan of Reorganization (hereinafter called the "Plan") and this Agreement, and the Depositors desire that the Plan be carried into effect by the Reorganization Managers in their discretion.

NOW, THEREFORE, for the purpose of carrying out the Plan, in whole or in part and whether modified or amended, or a substitute plan, and in consideration of the premises and of the conditions and promises hereinafter contained and of the advantages expected to result therefrom to the respective Depositors, and for other good and valuable considerations, the parties hereto do hereby severally agree, and each Depositor does agree with each of the other Depositors and with the Reorganization Managers, as follows :

FIRST. The Plan and this Agreement shall be executed in triplicate by the Reorganization Managers, by The Baltimore and Ohio Railroad Company and by the respective Depositaries, and an original thereof shall be lodged with each of the Depositaries. Thereupon the Plan and this Agreement shall be deemed to be and shall be a modification of, and substitute for, said plan and agreement of reorganization dated November 15, 1915, made and adopted in accordance with the provisions of said plan and agreement of reorganization dated November 15, 1915, and superseding said plan and agreement in all respects. The Depositors jointly and severally hereby assent to and accept all the provisions of the Plan, and the same is hereby approved and adopted and shall be deemed to be a part of this Agreement with the same force and effect as if it had been embodied herein ; and every Depositor assenting to either shall be bound by both. This Agreement shall be deemed to be, and shall be construed as, a contract governed by the laws of the State of New York.

SECOND. Participation in the Plan and in this Agreement, in any respect whatsoever, is conditioned upon the holders of the securities becoming parties to the Plan and this Agreement in the manner following :

HOLDERS OF FIRST AND REFUNDING MORTGAGE 4% FIFTY YEAR GOLD BONDS OF THE CINCINNATI, HAMILTON AND DAYTON RAILWAY COMPANY, HOLDERS OF GENERAL MORTGAGE GOLD BONDS,



DUE JULY 1, 1939, OF THE CINCINNATI, HAMILTON AND DAYTON RAILWAY COMPANY and HOLDERS OF FIRST MORTGAGE 4% FORTY YEAR GOLD BONDS OF THE PIQUA AND TROY BRANCH RAILROAD COMPANY must deposit their bonds (in the case of coupon bonds, with coupons attached as provided in the Plan) with the proper Depositary, as designated in the Plan (or with such other depositary, sub-depositary or agent as the Reorganization Managers or the respective Depositaries may appoint), within the period prescribed in the Plan or such later period as the Reorganization Managers in their absolute discretion may determine, receiving therefor (except in the case of said General Mortgage Bonds of The Cincinnati, Hamilton and Dayton Railway Company, due 1939, deposited and sold under the Plan for cash as provided in Article VI. of the Plan) certificates of deposit in a form approved by the Reorganization Managers. All holders so depositing their bonds, and all holders at any time depositing their securities under the Plan, shall thereby become parties to, and shall be conclusively and finally deemed to have assented to, the Plan and this Agreement with the same force and effect as if they had severally, for a valuable consideration, executed the same, and the holders from time to time of such certificates shall be conclusively deemed Depositors hereunder, and shall be irrevocably bound and concluded by the Plan and this Agreement.

The following holders of securities may become entitled to participate in the provisions of the Plan in respect thereto in the following manner :

(a) HOLDERS OF CERTIFICATES OF DEPOSIT ISSUED BY THE EQUITABLE TRUST COMPANY OF NEW YORK representing FIRST MORTGAGE 5% FIFTY YEAR GOLD BONDS OF THE CINCINNATI, DAYTON AND IRONTON RAILROAD COMPANY deposited under a certain Deposit Agreement dated January 28, 1915, whereby Alvin W. Krech and others were constituted a committee to represent holders of said bonds, who do not surrender their certificates of deposit and withdraw the amount of bonds represented thereby, in accordance with the provisions of said Deposit Agreement, shall thereby be conclusively and finally deemed to have assented to the provision made for said bonds in the Plan and to all the terms and provisions of the Agreement with the Reorganization Managers referred to in Article IX of the Plan, and the holders from time to time of such certificates of deposit shall conclusively and finally be deemed to have so assented.

(b) HOLDERS OF FIRST MORTGAGE 5% FIFTY YEAR GOLD BONDS OF THE CINCINNATI, DAYTON AND IRONTON RAILROAD COMPANY who have not already deposited them under said Deposit Agreement dated January 28, 1915, must deposit their bonds (in the case of coupon bonds, with coupons attached as provided in the Plan) with the Depositary for such bonds, as designated in the Plan, within the period prescribed in the Plan or such later period as the Reorganization Managers, in their absolute discretion, may determine, receiving therefor certificates of deposit in a form approved by the Reorganization Managers. All holders so depositing their bonds shall thereby be conclusively and finally deemed to have assented to the provision made for said bonds in the Plan and to all the terms and provisions of the agreement with the Reorganization Managers referred to in Article IX of the Plan, and the holders from time to time of such certificates shall conclusively and finally be deemed to have so assented.

Bonds registered as to principal must be restored to bearer form before being deposited, and registered bonds must be duly endorsed in blank or accompanied by proper instruments of assignment and transfer in blank. The Depositors respectively agree at any time on demand of the Reorganization Managers to execute any and all transfers, assignments, authorizations, powers or writings required for vesting in the Reorganization Managers the ownership of the securities deposited hereunder or otherwise subject hereto.

Holders of securities who do not deposit the same in the manner herein provided, and within the periods limited or fixed therefor, and holders of said certificates of deposit issued under said Deposit Agreement dated January 28, 1915, who surrender their certificates of deposit and withdraw the amount of bonds represented thereby, in accordance with the provisions of said Deposit Agreement, will not be entitled to deposit their securities or become parties to this Agreement or to share in the benefits of the Plan or of this Agreement, and shall acquire no rights hereunder, except upon obtaining an express written consent of the Re-



organization Managers. And the Reorganization Managers are hereby authorized and empowered in their absolute discretion, and in general or in particular instances, from time to time, and upon such terms and conditions as they may see fit, to withhold or give such consent and to enlarge or extend the time for making any deposits required by the Plan and this Agreement and to admit as parties to, and to participation in, the Plan and this Agreement, as Depositors hereunder, the holders of any of the securities mentioned in the Plan as entitled to participate therein, in such manner and upon such terms and conditions as the Reorganization Managers shall fix and determine, and in like manner to permit the holders of such securities to become parties hereto, without the actual deposit of securities ; and all security holders so becoming parties shall be embraced within the term Depositors whenever used in this Agreement. The Reorganization Managers in like manner and with like effect may authorize the acceptance for deposit hereunder of bonds without such interest coupons appertaining thereto as they may specify, and also may authorize the acceptance for deposit hereunder of such interest coupons without the bonds to which they appertain.

The holders of all certificates of deposit issued under, or otherwise subject to, the Plan and this Agreement shall be respectively entitled to, and only to, the rights and benefits specified in the Plan and in this Agreement as accruing to the holders of the particular class of securities represented by such certificates of deposit, or to the rights and benefits granted by the Reorganization Managers pursuant to the powers conferred upon them ; and the holder of any such certificate of deposit shall be entitled to have and exercise in respect of the securities named in such certificate or otherwise only the rights of the original Depositor hereunder.

The certificates of deposit issued under, or otherwise subject to, the Plan and this Agreement, and the interest represented thereby and all rights by virtue thereof, shall be transferable, but only subject to the terms and conditions of the Plan and this Agreement and in such manner as the Reorganization Managers or the depository issuing the same shall approve ; and upon any such transfer all rights of the transferor under the Plan and this Agreement and in respect to the deposited securities represented by the certificate of deposit transferred and all rights under such certificate of deposit shall pass to and become vested in the transferee. The certificates of deposit and any temporary or other certificates or receipts issued by any depository may be treated by the Reorganization Managers and by the depository issuing the same as negotiable instruments, and the holders for the time being, or, if registered, the registered holders for the time being, may be deemed to be the absolute owners thereof and of all rights of the original holders of said certificates of deposit, and neither the Reorganization Managers nor any depository shall be affected by any notice to the contrary.

Holders of certificates of deposit issued under, or otherwise subject to, the Plan and this Agreement, upon compliance with all the terms and conditions of the Plan and of this Agreement, shall be entitled to receive, upon the consummation of the Plan and surrender in negotiable form of such certificates of deposit and of any receipts issued to them by the depositories issuing such certificates, the new securities (but only as and when issued and ready for delivery) and the cash (if any) to which they shall be respectively entitled pursuant to the terms and provisions of the Plan and of this Agreement, but only (except as otherwise provided in the Plan or determined by the Reorganization Managers who shall have full authority in that respect) upon payment of all taxes, fees or charges imposed by any public authority in respect of the deposit, assignment or transfer hereunder or in pursuance hereof, of all or any of the securities which may be deposited hereunder, and of any such taxes, fees or charges in respect of the authorization, creation, issue or distribution of all or any of the new securities which may be issued in pursuance hereof. The acceptance of any new securities by any Depositor shall estop such acceptor from questioning the conformity of such securities in any particular to any provision of the Plan, and shall constitute full ratification by such acceptor of all acts of the Reorganization Managers and the Depositories and of any committee approving and adopting the Plan ; and the acceptance of new securities by the holders of certificates of

deposit issued for a majority in amount of the class of securities represented by such certificates of deposit shall constitute full ratification, by all holders of certificates of deposit representing that class of securities, of the acts of the Reorganization Managers and the Depositaries and of any committee constituted for the protection of that class of securities.

The term "Depositor," whenever herein used, is intended and shall be construed to include partnerships, associations, joint stock companies and corporations and all persons or others whether acting in their own right or as trustees, guardians, committees, agents and all persons or others acting in a representative or fiduciary character and those represented by or claiming under them.

The Baltimore and Ohio Railroad Company, by becoming a party to this Agreement, assents to all the terms and provisions of the Plan and this Agreement, and agrees to be irrevocably bound thereby and to do everything herein or in said Plan provided to be done by it.

THIRD. Each and every holder of any security deposited under the Plan and this Agreement and each and every holder of a certificate of deposit issued under or otherwise subject to the Plan and this Agreement does hereby sell, assign, transfer and set over unto the Reorganization Managers each and every bond, coupon, note and other evidence or claim of indebtedness or security represented thereby; and each and every such holder hereby agrees that the Reorganization Managers shall be and they hereby are vested with all the rights and powers of full and complete ownership thereof and of any other property at any time acquired by them hereunder.

The Reorganization Managers are hereby vested under the terms of this Agreement, as trustees of an express trust, with the legal title to all securities which may be deposited hereunder or otherwise subject hereto, and, subject to the provisions of Article Fourth hereof, the Depositors hereby irrevocably request the Reorganization Managers to carry out, and they hereby agree that the Reorganization Managers shall be and they hereby are vested with all rights, powers and authority necessary or proper to enable them to carry out, the Plan in its entirety or in part, to such extent and in such manner and with such amendments, additions, changes, exceptions or modifications as the Reorganization Managers shall deem to be for the best interests of the Depositors; and the Reorganization Managers are hereby fully authorized to use and do everything in respect of the deposited securities and of any other securities or other property at any time acquired by them hereunder or subject hereto as fully and to the same extent as the owner or holder thereof. Without in any manner limiting the foregoing provisions, the Reorganization Managers shall, subject to the provisions of Article Fourth hereof, have the following powers:

To take or institute or cause to be taken or instituted such actions or proceedings, legal or otherwise, give such directions, execute such papers and do or cause to be done such acts as they may consider judicious to enforce any security for, or procure the payment of, any deposited securities represented by them, or otherwise to protect the rights and interests of the Depositors, or for any of the purposes of this Agreement; to procure or consent to any corporate action by The Cincinnati, Hamilton and Dayton Railway Company (hereinafter sometimes called the "Old Company"), or by the new company referred to in the Plan (hereinafter sometimes called the "New Company") or any other corporation in which, or in the property or securities of which, either of said Companies may be interested; to sign and file any written consent or instrument required or permitted by law; to demand, receive and collect all amounts that may be due and owing on or payable in respect of any of the deposited securities, and whether for interest, principal, dividends or otherwise; to elect, or request and cause any trustee or trustees under any mortgage or trust indenture securing the payment of any bonds subject hereto to elect, to have the principal of any bonds or other obligations become due and payable, and at pleasure to revoke or withdraw such election or cause the same to be revoked or withdrawn; to request, direct or instruct any trustee or trustees of any such mortgage or trust indenture to prosecute foreclosure proceedings or to take other proceedings for the enforcement thereof or otherwise, or for the enforcement of any such bonds, or to exercise the powers,



or any of them, conferred by such mortgage or trust indenture or any indenture supplemental thereto, and to confirm and give to such trustee or trustees all such powers as in the judgment of the Reorganization Managers may be necessary or advantageous in carrying out the Plan; to make all such other requests, directions, instructions, or demands upon any such trustee or trustees or otherwise as the Reorganization Managers may deem proper; to call or waive notice of, and to attend, any meeting or meetings of bondholders, creditors or stockholders, however convened, and either in person or by proxy to exercise any power to vote in respect of such securities or any of them at all meetings for anything whatsoever authorized by, or deemed by the Reorganization Managers necessary or helpful to effectuate or carry out, the Plan and this Agreement or any modification thereof or substitute plan; to possess and exercise each and every right, power and privilege conferred upon the holders of any deposited bonds under the mortgage or trust indenture securing the same or any indentures supplemental thereto; to institute, intervene in, control, compromise or settle any suit, action or legal proceeding now pending or hereafter commenced or threatened, in any wise affecting the deposited securities, or any of them, or the property of the Old Company, the New Company, or any other corporation in which, or in the property or securities of which, either of said Companies may be interested; to enter into any agreement or arrangement for decrees or orders for facilitating or hastening the course of litigation, or tending towards, or deemed by the Reorganization Managers in their discretion likely to promote, the consummation of the Plan; to apply for or consent to the appointment of a receiver or receivers of, or of the property of, any corporation whose securities or property may be dealt with under the Plan or any corporation in which, or in the property or securities of which, such corporation may be interested, or to apply for or consent to the removal of any receiver or receivers and the substitution of one or more other receivers, or the termination of any receivership and the delivery of property to its owners; to consent to the issue and sale of receivers' certificates or other obligations, and to the securing of any receivers' certificates so issued by liens or charges upon any or all of the property of said Companies or other corporations, whether or not subject to any mortgage or mortgages or trust indenture or trust indentures securing the payment of any deposited securities, and whether or not prior to the lien thereof; to transfer deposited securities or cause the same to be transferred into the names of the Reorganization Managers, or of their nominees; to execute bonds or agreements of indemnity or other bonds on behalf of the deposited securities represented by them; in any manner to purchase or sell at such price or prices as the Reorganization Managers may deem proper, and to contract or enter into compromises or settlements in regard to, deal in, acquire or dispose of, any property, securities, claims or obligations subject to any mortgage or mortgages or trust indenture or trust indentures securing the payment of any of the deposited securities, or in which the Old Company, or the New Company, or any corporation in which, or in the property or securities of which, either of said Companies may have any interest, direct or indirect, or any property, securities, claims or obligations of or against the Old Company or the New Company or any such other corporation, or any receivers' certificates or obligations issued by, or liabilities incurred by, receivers, and, in general, any property, securities, claims or obligations which the Reorganization Managers may deem important or advisable to be so dealt with for the interest of such Depositors; to make payment therefor or in respect thereof, or to pay or discharge any such securities, claims or obligations, or any receivers' certificates or obligations or liabilities; to cause to be listed upon the New York Stock Exchange or elsewhere, any or all of the certificates of deposit issued under, or otherwise subject to, the Plan and this Agreement and any or all of the new securities the creation or issue of which is contemplated by the Plan; and to pay, or cause the New Company to pay, the expenses of any such listing, and any taxes, fees or charges in connection therewith, or any taxes, fees or charges imposed by any public authority wherever situated in respect of the deposit, assignment or transfer hereunder or in pursuance hereof, of all or any of the securities which may be deposited hereunder

or subject hereto, and any such taxes, fees or charges in respect of the authorization, creation, issue or distribution of all or any of the new securities which may be issued in pursuance hereof. The Reorganization Managers may, in their absolute discretion (except as otherwise provided in the Plan), determine whether, when and to what extent all or any part of any of said taxes, fees and charges or any of them, shall be paid by the Depositors, or any of them. The Reorganization Managers shall have full power to borrow money for any of the purposes of the Plan or of this Agreement, and to charge or pledge the deposited securities represented by them and any property purchased or otherwise held hereunder, and any new securities, or any class of such deposited or new securities or other property, or any part thereof, in such manner and to such extent as the Reorganization Managers may deem advisable and equitable as among such classes of securities, for the payment of any moneys borrowed or indebtedness or liability incurred, or to secure any bonds or agreements executed as hereinbefore provided, subject, however, to the provisions of the Plan respecting withdrawal of securities by certain Depositors without charge to them; and, subject to said provisions, in case of any such borrowing, whether upon pledge or not, to give to the lender the promissory note or notes of the Reorganization Managers for the sums borrowed and to direct in writing the depository for any securities represented by the Reorganization Managers to hold the securities deposited with it and any other property, or any designated part thereof, as security for the repayment of any moneys advanced or to be advanced in accordance with this Agreement, in which case such securities and other property shall be, and shall be held by such depository as, security for such advances with the same effect as if they were actually deposited with the persons making such advances as security for the payment thereof; and, generally, in the exercise of the powers of Reorganization Managers under any of the provisions hereof, to use and do everything in respect of such securities, and to use any funds or property at any time subject to their control, and, in respect of any property or securities purchased or acquired as above provided, to exercise all rights of ownership, including voting rights, as fully and to the same extent as the owner or holder thereof; to do whatever in the judgment of the Reorganization Managers may be expedient to promote or procure the sale as an entirety of the property and franchises of the Old Company, or any corporation in which, or in the property or securities of which it may be interested, or separate sales of portions of such property or franchises; to adjourn or procure or consent to the adjournment of any sale of any property or franchises, or any portion or parcel thereof; to bid or refrain from bidding, or to cause any one else to bid, at any sale, either public or private, either in separate parcels or as a whole, for any property or franchises, or any part thereof, whether or not owned, controlled or covered by or held directly or indirectly as security or in trust for the benefit of the deposited securities, or any of them, including or excluding any particular rolling stock or other property real or personal, and at, before or after any sale, to arrange and agree for the resale of all or any portion of the property or franchises which the Reorganization Managers may desire to sell; to hold any property or franchise purchased by or for them, in their names or in the name or names of any person or persons, firm or firms, corporation or corporations, approved by them, for the purposes of the Plan and of this Agreement, and to apply or cause to be applied any or all the deposited securities represented by them, or any cash or other property at any time held by or subject to their control on account of or in satisfaction of any bid, whether made by them or by any person, firm or corporation approved by them, or towards obtaining funds for any payment on account or in satisfaction of any such bid; and to exercise absolute discretion with respect to the amount, if any, to be bid or paid by them, or by their authority, for any property or franchise, and, in case of a sale to others of any property or franchise, or otherwise, to receive, in their discretion, out of the proceeds of such sale or otherwise, any dividend in any form accruing on any of the deposited securities represented by them, or on any property held by them. The Reorganization Managers may, in their discretion, set apart and hold or place in trust, or permit to be set apart and held or placed in trust, any part of the new securities to be issued and any cash which may be received from sales of new securities or otherwise, as they may deem suitable for the purpose of securing



the application thereof for any of the purposes of the Plan or of this Agreement. From time to time, for the purpose of carrying the Plan into effect, or of obtaining assents thereto, the Reorganization Managers, either generally or in special instances, may make or ratify, or cause to be made or ratified, contracts with any person, association, firm, syndicate, corporation or committee representing securities of any class, and, in their discretion, either generally or in special instances and upon such general or special terms or conditions as they may deem proper, they may arrange to procure the deposit of any securities of any class, and by loan or guaranty or by the sale of new securities to be created or otherwise, on such terms and conditions and representations as the Reorganization Managers may deem proper, they may obtain or permit to be obtained any money or moneys required to carry out the Plan, including such sums as the Reorganization Managers may deem expedient to provide for the uses of any company formed or utilized for the purpose of carrying out the Plan and for the performance of any contract. The Reorganization Managers may, in their uncontrolled discretion and upon such terms as they may determine, provide for the issue of the Toledo-Cincinnati Division Bonds of The Baltimore and Ohio Railroad Company, referred to in the Plan, in exchange for any or all of the securities which the Plan recites are to remain undisturbed thereunder, or in exchange for any or all of the stock of Home Avenue Railroad Company, or in exchange for any or all of the bonds or stocks of any corporation, any of the bonds or stocks of which are pledged under, or any of the properties of which are subject to the lien of, the First and Refunding Mortgage, dated July 1, 1909, of The Cincinnati, Hamilton and Dayton Railway Company, or the General Mortgage, dated July 1, 1909, of the same company, or in exchange for any or all certificates of deposit issued by the depository of any committee representing any of said securities; or the Reorganization Managers may make such other provision in respect of any or all of said securities as they may in their absolute discretion determine; and, generally, the Reorganization Managers may, in their absolute discretion, determine whether and to what extent, and upon what terms and conditions, any or all of said securities, or the properties represented thereby, shall be acquired by the New Company or shall be permitted to participate in the reorganization of the Old Company, and whether and to what extent and upon what terms and conditions said securities or properties or any of them, may be exchanged for securities to be issued by the New Company or by The Baltimore and Ohio Railroad Company or otherwise dealt with under the Plan. The Reorganization Managers may, in their absolute discretion and upon such terms as they may determine, pay, purchase or otherwise acquire, adjust or deal with, any or all of said securities, or any or all coupons (matured or unmatured) appertaining thereto, and any expense incurred by them for such purpose shall be deemed part of the expenses of the reorganization, and payable accordingly. The Reorganization Managers in their absolute discretion may determine the purposes for which the new securities reserved under the Plan shall be issued and the conditions of their issuance; and, generally, in the case of any bond, claim, lien or obligation affecting the Old Company or any corporation in which or in the property or securities of which the Old Company is interested, and not in the Plan or in this Agreement fully provided for, or which the owners thereof will not exchange under, or otherwise make subject to the Plan upon the terms therein provided for, the Reorganization Managers may, from time to time, purchase or acquire or extinguish the same or make such provision therefor as they may deem suitable, by obligation or securities of the New Company or by any other new securities contemplated by the Plan, either of the New Company or any other corporation, or by using therefor any cash received under the Plan or any other resources or any securities not expressly required for settlement with the Depositors, or otherwise as they in their absolute discretion may determine. The Reorganization Managers may also negotiate and contract with any persons for the acquisition of property, whether or not now owned or controlled by the Old Company, or for the conduct of business, by the company to be utilized for the purpose of carrying out the Plan and this Agreement, binding said company and calling for the expenditure of cash or the issue of any of its securities. The Reorganization Managers may sell, assign, transfer and

deliver all or any of the deposited securities represented by them, and may enter into any such contract or contracts with any person, firm or corporation, as they shall deem proper for the purposes of the Plan and this Agreement. Without limiting the foregoing provisions, the Reorganization Managers may negotiate and contract with any persons, firms, corporations or associations for the acquisition of property or equipment for use in the operation of the railroads or property which it is contemplated shall be acquired by the corporation or corporations to be formed or utilized for the purpose of carrying out the Plan and this Agreement, or for obtaining, continuing or granting trackage rights, traffic rights, terminal facilities, exchanges of property, interchange of traffic, or any other arrangement which they may deem necessary or desirable to obtain, continue or grant, including arrangements for merger, consolidation, purchase, sale or lease, and any guaranty of securities, and the Reorganization Managers may make contracts therefor, binding the corporation or corporations to be formed or utilized for the purpose of carrying out the Plan and this Agreement. In the event that any property is purchased by or for the Reorganization Managers, they may, in their discretion, exercise all powers as purchasers to approve, affirm or disaffirm all contracts or leases appurtenant to all or any of said property so purchased; and, generally, the Reorganization Managers may make and ratify, or cause to be made and ratified, such purchases, contracts, stipulations and arrangements as in their opinion will operate, directly or indirectly, to aid in the preservation, improvement, development or protection of any property now owned by the Old Company or any corporations in which or the securities of which, it may be interested, or any property which said Company or other corporations or any of them shall have contracted to acquire or in which said Company or other corporations may be interested directly or indirectly, or any property acquired or contemplated to be acquired by or for the corporation or corporations to be formed or utilized for the purpose of carrying out the Plan and this Agreement, or any property acquired for any purposes of the Plan and of this Agreement. The Reorganization Managers may organize, or procure to be organized, one or more new companies, or they may adopt or use any company or companies whether now existing or not, and they may make or cause to be made consolidations, increases of capital stock, creation and issuance of securities, leases, sales, purchases, agreements and other arrangements by or between any such companies or with other companies, firms or individuals. The Reorganization Managers may make or cause to be made conveyances or transfers of any properties or securities acquired by them or with their approval; they may cause the ownership of all or any property by any existing or new company to be either a direct ownership or ownership through bonds or through the shares of stock, or both, of any other company, and may cause any mortgage or mortgages securing bonds of any existing or new company to be either a direct lien upon any particular property, or a lien upon the bonds or shares of stock, or both, of any company owning such property; and the Reorganization Managers may take or allow to be taken such proceedings as they may deem proper for the purpose of creating the new securities provided for in the Plan, and for carrying out all or any of the provisions of the Plan and of this Agreement. The Reorganization Managers shall have full power to enter into and carry out, or cause to be entered into and carried out, the agreements with The Baltimore and Ohio Railroad Company and the agreement with said Committee representing said Cincinnati, Dayton and Ironton Railroad Company First Mortgage 5% Fifty Year Gold Bonds, referred to in Articles V and IX, respectively, of the Plan, or any such modified or different agreements as they may in their discretion deem advisable, and any other agreement which, in their absolute discretion, they may deem it advisable to enter into with any committee representing any of the bonds or other securities affected by or mentioned in the Plan, looking to the purchase of any of said bonds or the coupons appertaining thereto or said other securities. The Reorganization Managers are authorized to receive and dispose of, or to allow to be received or disposed of, by any other person or corporation, in accordance with any of the provisions of the Plan and of this Agreement, the new securities to be created; and they may vote, or cause or allow any person or corporation to vote, upon any or all stock until the same shall be transferred or distributed, as contemplated in the Plan. In case the Plan, or some



modification thereof or substitute therefor, shall have been abandoned by the Reorganization Managers, The Baltimore and Ohio Railroad Company, upon payment to the Reorganization Managers of their expenses and compensation and all expenses of the Reorganization and upon making suitable provision for their indemnity, shall be entitled to the return of any and all obligations and other securities deposited by The Baltimore and Ohio Railroad Company subject to the Plan and to the delivery of any of said General Mortgage Bonds, due 1939, of the Old Company to whose holders payment of \$700.86 per bond shall have been made as provided in the Plan, from cash provided thereunder by The Baltimore and Ohio Railroad Company. The Reorganization Managers may do any and all things necessary or proper to prevent or to avoid opposition to or interference with the successful execution of the Plan and this Agreement. In case, before the Plan is declared operative, default shall be made in the payment of interest on any class of deposited bonds, arrangements may be made in the discretion of the Reorganization Managers for the advancement to depositors of bonds of such class, upon the security of their deposited bonds and coupons, of interest thereon, upon presentation of their certificates of deposit to the proper depository in order that such advances may be noted thereon. Such advances shall bear interest at the rate of six per cent. per annum until repaid, but if the interest so advanced in respect of any class or classes of bonds shall thereafter be paid by the obligor Companies, or any of them, the interest so paid shall be applied toward the repayment of such advances. If the Plan is declared operative, repayment of any such advances then remaining unpaid, and of all interest on advances, shall be made out of the moneys provided by the Plan, and the respective Depositors shall thereupon be released from liability therefor. The Reorganization Managers may arrange that the additional securities mentioned in the Plan which are not to be issued thereunder shall bear a higher rate of interest than the securities of the same issue which are to be issued thereunder. The Reorganization Managers are authorized to use the cash, or any part thereof, provided for in the Plan, or to cause or permit the same or any part thereof to be used, for any of the purposes of the Plan or of this Agreement, at such time as in their discretion may be most convenient and as from time to time may be determined by them, their determination as to the propriety and purpose of any such application to be final and binding upon all of the Depositors; and nothing in the Plan or in this Agreement shall be understood as limiting or requiring the application of any specific moneys to any specific purpose. The Reorganization Managers in their discretion may themselves hold, or may designate other banks, bankers or trust companies (either in the United States of America or elsewhere) to hold, subject to their order, any part of the moneys held under the Plan, without responsibility for such other banks, bankers or trust companies. Any floating debt or otherwise against the Old Company or of any property that may be embraced in the Plan either as proposed or as carried out, or any securities held as collateral for any such obligation, or any certificates of indebtedness, obligations or liabilities of the Old Company or of any receiver or receivers thereof, may be paid, compromised, acquired, utilized or extinguished at such times, or be held by the Reorganization Managers, their nominee or nominees, for such period, and in such manner and upon such terms, as they may deem proper for the purposes of the reorganization; but nothing in the Plan or in this Agreement contained is intended to constitute, nor shall any provision herein constitute, any liability or trust in favor of or in respect of any such obligation. The Reorganization Managers may proceed under the Plan and under this Agreement, or any part thereof, with or without foreclosure or enforcement of one or more of the existing mortgages and trust indentures constituting liens upon property of the Old Company, or upon property of any corporation in which or in the securities of which the Old Company is interested and, in case of sale upon such foreclosure or enforcement, they may exercise any power conferred by this Agreement either before or after any such sale or sales. In every case all the provisions of the Plan and of this Agreement shall apply to and in respect of any property embraced in the reorganization and to and in respect of any securities representing any such property, it being intended that, for all purposes hereof, any such property and any securities representing

such property may be treated or accepted by the Reorganization Managers as substantially identical. In case, in the opinion of the Reorganization Managers, any other or separate plan shall be necessary or expedient to effect the reorganization of the property of the Old Company or any part thereof, or of any consolidation or arrangement with, or for any sale, lease or purchase to or from any company or companies now in existence or to be hereafter formed, the Reorganization Managers may promote or promulgate the same and may participate therein, and may deposit thereunder any securities thereby affected or to which such separate plan shall relate, or the Reorganization Managers may enter into any agreement with any committee representing holders of securities of any class necessary or expedient for such purposes. Any action contemplated in the Plan or authorized by this Agreement may be taken or performed whenever the Reorganization Managers, in their uncontrolled discretion, shall deem advisable. The Reorganization Managers may, as it may by them be deemed necessary or expedient, defer the performance of any provision of the Plan or of this Agreement, or they may commit such performance to any company used in the consummation of the Plan, and may cause any such company to pay any indebtedness authorized or incurred by them in furtherance of the Plan or to make or assume any obligations which, in the judgment of the Reorganization Managers, may be necessary or expedient to carry out the Plan and this Agreement. Anything which anywhere in the Plan or in this Agreement the Reorganization Managers are authorized to do or allow to be done, they may do or allow to be done by or through such agents or agencies as they may determine, or by or through others, with their approval, consent or acquiescence, or by contracting therefor with any person, firm or corporation.

FOURTH. The Reorganization Managers may in their absolute discretion determine whether and when a sufficient amount of the securities of the various classes shall have been deposited hereunder to render it advisable to declare the Plan operative and their determination in that respect shall be final, binding and conclusive upon all Depositors. The Reorganization Managers may, before declaring the Plan operative, exercise the powers and authority conferred by this Agreement, in whole or in part. They may so declare this Plan operative as to all classes of securities for which provision is made in the Plan or only as to certain classes of such securities and in case the securities of any class or classes shall be excluded from the reorganization, any holder of a certificate of deposit issued hereunder representing the securities so excluded, may surrender his certificate of deposit, with a properly executed transfer thereof if registered, to the Depositary issuing the same, and, without charge, withdraw the securities, proceeds or other property represented thereby, then in the control of the Reorganization Managers. In case the Reorganization Managers shall declare the Plan operative as to the deposited securities of any classes as aforesaid, they shall thereupon publish notice to that effect, as hereinafter provided in Article Ninth of this Agreement. If the Reorganization Managers shall not have begun the publication of such notice on or before December 31, 1917, holders of certificates of deposit issued hereunder for securities deposited hereunder shall, without charge, be entitled to withdraw from deposit hereunder the securities, proceeds or other property represented thereby, then in the control of the Reorganization Managers, upon surrender of their certificates of deposit, with a properly executed transfer thereof if registered, to the Depositary issuing the same.

The Reorganization Managers may, in their sole discretion, alter, modify, depart from or abandon the Plan and this Agreement or any part thereof or substitute a new Plan or Agreement therefor. They may at any time or times, after any such modification, departure, substitution or partial abandonment restore to the Plan and this Agreement any abandoned part thereof, or discard any such modification or substitution or any part thereof, and seek to carry the Plan and this Agreement into effect as fully as if such part had not been abandoned or such modification, departure or substitution had not been made. They may also attempt to carry the Plan and this Agreement into effect, rather than to abandon or modify or depart from the same, or substitute any other plan even though it be manifest that, if consummated, the Plan and this Agreement must depart from the original Plan and Agreement or some part thereof.



In case, however, of intentional modification of, or departure from, the Plan and this Agreement or substitution of a new plan, which, in the opinion of the Reorganization Managers, shall adversely affect to a material degree the interests of any of the Depositors of any class or classes of securities to be embraced in the modified or substitute plan, a statement of such modification or substitute plan shall be filed with the Depositary or Depositaries for such securities under the Plan and notice to that effect shall be published in accordance with the provisions of Article Ninth hereof, specifying the class or classes of securities which, in the opinion of the Reorganization Managers, are affected by the proposed modifications or substitute plan. Within thirty days after the first publication of such notice any holder of a certificate of deposit issued hereunder for the securities so stated in said notice to be affected, may surrender his certificate of deposit, with a properly executed transfer thereof if registered, to the depositary issuing the same and, without charge, withdraw from deposit hereunder the securities, proceeds or other property represented thereby, then under the control of the Reorganization Managers. Every Depositor not so surrendering and withdrawing within said period of thirty days shall be irrevocably and conclusively deemed to have assented to the proposed modification or substitute plan, and, whether or not otherwise objecting, shall be bound and concluded thereby as fully and effectively as if he had actually assented thereto.

The Reorganization Managers may, in their sole discretion, finally abandon the entire Plan, at any time either before or after the same shall have been declared operative, but such abandonment shall not affect any previous acts or contracts executed or approved by the Reorganization Managers. In case of such abandonment after any deposit of securities under the Plan the Reorganization Managers shall publish notice thereof in accordance with the provisions of Article Ninth hereof, and the Depositors shall surrender their certificates of deposit, issued hereunder, with a properly executed transfer thereof if registered, to the depositary issuing the same and shall, without charge, receive therefor the securities, proceeds or other property represented thereby, then under the control of the Reorganization Managers. In the case of such abandonment before such deposit of securities, no notice need be given by the Reorganization Managers, except to the Depositaries.

In the case of the holders of certificates of deposit representing said Cincinnati, Dayton and Ironton First Mortgage Bonds, the right of withdrawal and the amounts payable upon such withdrawal shall be governed by the provisions of said Deposit Agreement, dated January 28, 1915, and the agreement with the Reorganization Managers referred to in Article IX. of the Plan.

The above provisions of this Article Fourth shall not apply to any General Mortgage Bonds of 1939 theretofore deposited and sold under the Plan for cash, as in Article VI of the Plan provided.

All modifications or substitute plans made by the Reorganization Managers under any of the provisions of this Agreement, shall forthwith upon such adoption become a part of the Plan and of this Agreement or a substitute therefor, as the case may be, and all provisions and references concerning the Plan shall apply to the Plan as so modified or to such substitute plan.

In every case of surrender of certificates of deposit and withdrawal of securities, proceeds, or other property represented thereby, in this Agreement provided for, any interest or dividends or moneys actually received by the Reorganization Managers on deposited securities withdrawn will be accounted for by the Reorganization Managers to the holders of such certificates of deposit.

No Depositor shall be entitled to withdraw from this Agreement or to receive deposited securities, proceeds or other property represented by the certificate held by him, except in the events in this Agreement specifically provided for, and then only within the time and subject to the conditions herein provided.

FIFTH. The Reorganization Managers may prescribe or approve the form and terms of all charters, regulations and by-laws of any corporations that may be utilized in the reorganization and of all certificates of stock, bonds, notes and other securities at any time to be issued and of all mortgages, trust indentures and all other instruments at any time to be executed in connection therewith, and may make with any person or

persons, association or associations, firm or firms, corporation or corporations, syndicate or syndicates, any contracts or agreements in relation to or in any wise affecting the same. They shall have power to make equitable provision for any case of lost or destroyed bonds, coupons or certificates of stock issued, and to provide for and make or cause to be made such issues of scrip to represent any fractional interest in the new securities, and, to such extent as they shall deem necessary, they may distribute such scrip to the Depositors, and may, in their discretion, settle for and adjust any such fractional interest in cash, or credit or pay such cash to the Depositors in lieu of distributing to them such scrip. They are authorized to issue or to cause to be issued temporary or interim certificates to represent the new securities or any of them. The Reorganization Managers may dispose of such of the new securities to be created and issued under the Plan as may not be distributed under the Plan and this Agreement to holders of certificates of deposit issued thereunder or otherwise in accordance with the Plan and this Agreement, by the sale or delivery or transfer of such new securities to such persons, associations, firms, corporations or syndicates as the Reorganization Managers may select for that purpose and upon such terms and conditions as they may, in their uncontrolled discretion, determine. The Reorganization Managers may at any time appoint a successor or successors to the Depositaries, or any of them, or may appoint one or more additional depositaries, sub-depositaries or agents, either in the United States or elsewhere, and the Depositaries, or any of them, may, with the approval of the Reorganization Managers, appoint one or more such sub-depositaries or agents, and the terms "Depositary" and "Depositaries" wherever used herein or in the Plan shall be deemed to include any such successor or additional depositary, sub-depositary or agent.

The Reorganization Managers shall have the right to form or procure the formation of any syndicate or syndicates which they may deem necessary or advantageous for carrying out the purposes of the Plan or of this Agreement. The firm of Reorganization Managers or its members, or the Depositaries hereunder, or any depositary of any committee representing any securities concerned in the reorganization, or the members of any such committee, or any one connected with the New Company or with any of the corporations interested in the reorganization, may become pecuniarily interested in any such syndicate or any other syndicate formed in connection with this reorganization, either as syndicate managers, members, subscribers or otherwise, without accountability in respect thereof; they may make deposits of securities hereunder and become entitled to the same benefits as any other Depositors; and in general they may, without accountability, become pecuniarily interested in any bonds, stocks, contracts, property or matters which the Plan or this Agreement concerns. The members of the firm of Reorganization Managers or the members of any such committee may be incorporators, officers or directors of any company utilized in the reorganization, and the Depositaries, or any depositary of any such committee, may be trustee under any new mortgage or trust indenture and may otherwise act in any capacity for the New Company or any other corporation interested in the reorganization or the holders of any of the securities of said Company or other corporation.

The Reorganization Managers shall be entitled to compensation for their services. They may employ counsel, depositaries, sub-depositaries, agents, accountants, engineering and other experts, and all necessary assistants, and may incur and discharge any and all expenses by them deemed reasonable for the purposes of the Plan or for carrying out, or attempting to carry out, the same, including all compensation and expenses in any way connected with the receivership of the Old Company, and also the expenses and compensation of the Depositaries, and any committee and its depositary representing any of the securities dealt with under the Plan, and all expenses in connection with the preparation of the Plan and this Agreement, the deposit and exchange of securities thereunder, the authorization, creation, issue and distribution of securities thereunder and the incorporation of any companies thereunder. The Reorganization Managers shall be entitled to reimburse themselves for, or pay, from the cash provided under the Plan, any and all such expenses and compensation and, except as herein otherwise specifically provided, to make such other or additional provision for such reimbursement or payment as they may see fit. The



Reorganization Managers shall be the sole judge of the propriety and amount of any and all such compensation and expenses.

The accounts of the Reorganization Managers shall be filed, within six months after the reorganization shall be determined by the Reorganization Managers to have been completed, with the board of directors of the new corporation which shall issue the new securities provided in the Plan, unless a longer time be granted by said board of directors. Such accounts, unless disapproved by such board of directors within three months thereafter, shall be final, binding and conclusive upon the Depositors and upon all other parties having any interest therein, and thereupon or upon approval by such board, whenever and however given, the Reorganization Managers shall be discharged and all liability and accountability on their part shall cease.

SIXTH. The Reorganization Managers will endeavor to carry out the Plan either in its original form or with modifications or substitutions as aforesaid, but the Reorganization Managers or the Depositaries do not assume any personal responsibility for carrying out the Plan and this Agreement or any part of either, or any modified or substitute Plan and Agreement, or for the results of any acts done for that purpose, nor shall the Reorganization Managers or the Depositaries be personally liable for loss of money disbursed for the purposes of this Agreement nor for the depreciation in value of any securities or other property acquired hereunder nor for any act or omission of said Reorganization Managers or said Depositaries or of any agent or employee selected by them or any of them, nor for any error of judgment or mistake of fact or law, nor any acts except for their own respective, individual, wilful malfeasances. The Reorganization Managers, and the Depositaries may advise with counsel and the opinion of counsel shall be full protection to them for anything done or suffered to be done in accordance with such opinion. Any direction given by the Reorganization Managers shall be full and sufficient authority for any acts of the Depositaries or of any custodian or agent. The Depositaries shall incur no liability for anything done or suffered to be done at the request or direction of the Reorganization Managers. The Depositaries become parties to this agreement solely for the purpose of evidencing that in all transactions affecting the Plan and Agreement they are the agents employed by the Reorganization Managers and they make no undertaking as to the carrying out of the Plan and Agreement except to observe the instructions of the Reorganization Managers, subject to which instructions alone the Depositaries shall hold and dispose of the securities and other property deposited with them, respectively. All acts performed and obligations and liabilities incurred by the Reorganization Managers, both as to the Depositors and as to any person dealing or contracting with the Reorganization Managers, shall be deemed and considered to be the acts of the Reorganization Managers as such, and any person dealing or contracting with the Reorganization Managers shall look alone to the securities subject to the control of the Reorganization Managers for the satisfaction and discharge of all such obligations and liabilities, and shall not hold the Reorganization Managers personally or individually responsible therefor. No estimate, statement, explanation or suggestion, nor anything contained in the introductory statement hereto or in the Plan or this Agreement, or in any statement or circular or advertisement issued by the Reorganization Managers, is intended or shall be taken as a representation or warranty or as a condition of or inducement for any deposit or assent under the Plan or this Agreement, or any modification or amendment thereof or substitute therefor, and no defect or error in the Plan or in this Agreement or in any such statement, circular or advertisement shall release any Depositor under the Plan or under this Agreement or affect or release any assent thereto or the deposit of securities hereunder or any payment made pursuant to the Plan or this Agreement, except by the written consent of the Reorganization Managers.

Except where otherwise specifically stated, the statements contained in the introductory statement and in the Plan respecting the financial position of the Old and New Companies, the nature and amount of the new securities proposed to be issued, the nature, extent and priority of

the liens and mortgages securing said new securities, the results of the proposed reorganization and all other statements, estimates, figures and provisions, are intended to be based upon the assumption that all of the securities of each class dealt with under the Plan shall become subject thereto and they omit consideration of, and make no allowance for, the changes which might result in case any of said securities should not become subject to the Plan, nor such additional or further securities (whether of the issues mentioned in the Plan or not), if any, as may be required or provided for by the Reorganization Managers in effecting the reorganization nor such additional new securities as may be authorized and ultimately issued by the New Company or by any other corporation on account of liabilities of the Old Company or otherwise.

SEVENTH. All securities deposited under or subject to the Plan and this Agreement, and all securities, claims and property purchased or otherwise acquired under the Plan or this Agreement, shall remain in full force and effect for all purposes, and shall not be deemed to have been merged, satisfied, released or discharged by any delivery of any securities, and no legal right or lien shall be deemed released or waived in respect of any such securities and property, and any judgment upon any claims (including judgments for deficiencies), and all liens and equities, shall remain unimpaired and may be enforced by the Reorganization Managers and their successors or assigns until paid or satisfied in full or expressly released by or with the consent of the Reorganization Managers or their successors in interest; and the Reorganization Managers or their successors in interest, or both, may in their discretion release the same or any thereof, either absolutely or upon such terms and conditions as they may prescribe. Neither the Reorganization Managers, nor any Depositor (except to or in favor of the Reorganization Managers), by becoming a party hereto, releases, surrenders or waives any lien, right or claim in favor of the securities deposited under or subject to the Plan and this Agreement, and all such liens, rights and claims shall vest unimpaired in the Reorganization Managers and (unless otherwise determined by the Reorganization Managers) in their assigns, transferees or successors in interest.

EIGHTH. The Plan and this Agreement are in all respects to be liberally construed. The Reorganization Managers may construe the Plan and this Agreement, and their construction thereof or action thereunder in good faith shall be final and conclusive. They may supply any defect or omission or reconcile any inconsistency in such manner and to such extent as shall be deemed by them necessary or expedient to carry out the same properly and effectively, and they shall be the sole and final judges of such necessity or expediency. The enumeration of specific powers by this Agreement conferred shall not be construed to limit or restrict the general powers conferred by this Agreement or intended so to be, and it is hereby distinctly declared that it is intended by this Agreement to confer on the Reorganization Managers any and all powers which the Reorganization Managers may deem necessary or expedient, in their uncontrolled discretion, in or toward carrying out or promoting the purposes of the Plan and of this Agreement, in their entirety or in part, to such extent and in such manner and with such modifications and substitutions as the Reorganization Managers may determine (subject, however, to the provisions of Article Fourth hereof), and any and every such power may be exercised as fully and effectively as if the same were herein distinctly specified and as often as for any cause or reason they may deem expedient; and all powers necessary or proper for any of the purposes hereof, if not in this Agreement expressed, shall be implied. The methods and means to be adopted for or toward carrying out the Plan and this Agreement shall be entirely discretionary with the Reorganization Managers.

NINTH. All calls for deposit of securities under the Plan, or for the presentation or surrender of certificates of deposit and all notices fixing or limiting any period for the deposit of securities and all other calls or notices hereunder, except as herein otherwise expressly provided, shall be inserted in two newspapers of general circulation published in the City of New



York and in such additional newspapers in New York or elsewhere, if any, as the Reorganization Managers may determine, twice in each week for four successive weeks, beginning on any day of the week. Any call or notice whatsoever, when so published by the Reorganization Managers, shall be taken and shall be considered as though personally served on all parties hereto and upon all parties to be bound thereby as of the date of the first insertion thereof, and such publication shall be the only notice required to be given under any provision of the Plan or of this Agreement and shall be sufficient for all purposes, whether or not actually brought to the notice of any Depositor.

TENTH. The Plan and this Agreement shall bind and benefit the several parties hereto, including the Depositors and their and each of their survivors, heirs, executors, administrators, successors and assigns. The Reorganization Managers act hereunder as a co-partnership and the Plan and this Agreement shall extend to said co-partnership as from time to time constituted. Neither this Agreement nor the Plan shall be construed to create any trust or obligation to or in favor of, nor any liability or obligation of, any person, firm, or corporation other than the parties hereto and those who become bound hereby pursuant to the provisions hereof and of the Plan.

IN WITNESS WHEREOF, the Reorganization Managers have subscribed this Agreement and The Baltimore and Ohio Railroad Company and the Depositaries have caused this Agreement to be executed in their respective corporate names by their respective Presidents or Vice-Presidents, and their respective corporate seals to be hereunto affixed and attested by their respective Secretaries or Assistant Secretaries, and the Depositors have become parties hereto in the manner hereinbefore provided, all as of the day and year first above written.

Executed in counterparts.

KUHN, LOEB & CO.  
Reorganization Managers.

THE BALTIMORE AND OHIO RAILROAD COMPANY,

[Corporate Seal] By  
DANIEL WILLARD  
President.

Attest :  
C. W. WOOLFORD  
Secretary.

BANKERS TRUST COMPANY,  
Depositary,

[Corporate Seal] By  
H. B. THORNE,  
Vice-President.

Attest :  
B. W. JONES  
Secretary.

GUARANTY TRUST COMPANY OF NEW YORK,  
 Depositary,

[Corporate Seal]

By  
 WM. C. COX  
 Vice-President.

Attest :

E. C. HEBBARD  
 Secretary.

THE EQUITABLE TRUST COMPANY OF NEW YORK,  
 Depositary,

[Corporate Seal]

By  
 LYMAN RHOADES  
 Vice-President.

Attest :

S. ARMSTRONG  
 Asst. Secretary.





